

INCOMING TELEGRAM

DEPARTMENT OF STATE—DIVISION OF COMMUNICATIONS AND RECORDS
RESTRICTED

TELEGRAPH BRANCH

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4 a.m.

CORRECTIONS UNDERSCORED

Control 5637

Rec'd October 18, 1947

7:04 a.m.

FROM: Rome

TO: Secretary of State

NO: 3245, October 15, 1 p.m.

Commercial treaty number 14. Proposals authorized in DEFTL 1946, October 3, 1947, with respect to Article XIII (three), XIV, (four) XIV (one), and additional protocol (preamble) submitted to Italian Delegation October 9 and accepted. In addition to XXIV (one) is considered acceptable, but Italians are uncertain whether it applies to provisions of additional protocol. We stated additional protocol is integral part of treaty and that reference to IMF therein and obvious relationship of provisions to international financial transactions would make all provisions subject to consideration under new sentence. Department's confirmation requested.

Italians are prepared to accept XV (two) provided statement is added that concessions are based upon complete reciprocity. They wish to prevent other countries from claiming privileges under MFN without conceding same treatment to Italy. Can statement be added to paragraph to effect that each party grants privilege regarding goods en route in return for concession of similar treatment to its commerce by other party? If not, can Department suggest another method by which Italy can record publicly its intent not to make this provision subject to unconditional MFN? Italian Delegation takes position Government cannot agree to 30-day notice rule in additional protocol (three). They contend that decision based upon exchange situation must be put into effect promptly both from standpoint of emergency action and to avoid favoring speculators. They are willing to agree to 10-day's advance notice, or to keep the 30-day rule provided shorter notice is permissible in exceptional circumstances. Embassy's view is that for present and foreseeable future, binding treaty to hard and fast

rule

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DEPARTMENT OF STATE A/CDC/MR

REVIEWED BY: *[Signature]* DATE: 10/25/47

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-2- #3245, October 15, 1 p.m., from Rome

rule is not practicable, but that treaty should provide basis for strong representations in case of action unnecessarily prejudicial to US trade.

Part XVI (one) protocol provision interpretative of this paragraph authorized in DEFTEL 1946 not be submitted to Italians. Summary of Italian position in NYTEL 3003 now appears to have been incomplete. An additional report will be submitted after further study.

Article XIII (two) paragraph discussed further with Italians prior to receipt of DEFTEL 1979, October 7. Italian position is that adequate opportunity should be provided alien conscript to exercise option as to service. No provision for actual mobilization is now in effect. Under old system, Italian citizens were required to report to assembly points within 48 hours after call, which was posting of mobilization notice. Under Italian law aliens are exempt from service, and application of treaty rule to US nationals would require special regulations. Italian delegation is prepared to agree to month's period after call within which alien may make choice. If this unacceptable to Department, delegation thinks it can rely upon concluding sentence of paragraph to permit, if and when paragraph is invoked, mutually satisfactory arrangements regarding conditions for aliens making choice. Department is requested to consider preparing statement for minutes setting forth that this would be one of subjects for arrangements envisaged in concluding sentence. The Italians object to use of word "induction" on ground that there is nothing in Italian practice exactly comparable to US induction. Prior to the call there would be no basis for a claim for exemption. After the call, the conscript is practically in the military service. Would it be possible to modify phrase above following lines: "If within a reasonable time after their first formal (legal) notification of obligation for such service they elect"? This could be accompanied by a protocol provision, if necessary, that in the US, the choice must be made before induction.

At meeting

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-3- #3245, October 15, 1 p.m., from Rome

At meeting October 9, Italian delegation submitted draft proposed convention regarding academic degrees. Text is being forwarded by airgram. DEFTL 2007, October 9, delayed in transmission, received fourteenth.

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